ANNUAL REPORT
for the year 2014-2015

The Nova Scotia Crop and Livestock Insurance Commission

Growing Forward 2

A federal-provincial-territorial initiative

NOVA SCOTIA

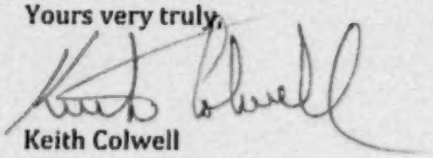
Canada

His Honour
Brigadier-General The Honourable J. J. Grant
Lieutenant-Governor of Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the year ended March 31, 2015.

I am, Your Honour,
Yours very truly,



Keith Colwell
Minister of Agriculture

The Honourable Keith Colwell
Minister of Agriculture

Dear Sir:

We have the honour to herewith submit the fortieth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ending March 31, 2015. Included in this report is a summary of operations, the audited financial statements, and statistical information for the programs under the authority of the Commission.

Respectfully submitted,
Nova Scotia Crop and Livestock
Insurance Commission

A. Bentley
Chair

B. MacLeod
CEO

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COMMISSION OFFICERS

BOARD OF DIRECTORS:

Avard Bentley, Chair Westchester, Cumb. Co.	Arthur Pick, Vice-Chair Centre Rawdon, Hants Co.
Greg Coldwell Port Williams, Kings Co.	James Baillie Tatamagouche, Colchester Co.
R. Michael Walsh Berwick, Kings Co.	John Vissers MacKay Siding, Colchester Co.

PRINCIPAL OFFICERS:

B. MacLeod	– CEO
T.D. Mitchell	– Secretary
H.D. Black	– Accounting Clerk
V.E. Goodwin	– Clerk
G.D. Macintosh	– Supervisor, Field Services
A. Parsons-Lushington	– Research and Development Coordinator
K. Myers	– Database Administrator

AUDITOR:

Auditor General	– Province of Nova Scotia

SOLICITORS:

J.E. Scott / G.W. Knudsen
C. Thompson

FIELD STAFF:

A.Garnett
J.M. Peill
G. Thyssen

PROGRAM BACKGROUND

The Nova Scotia Crop Insurance Act, which was assented to in 1968 and amended in 1978, 2005 and in 2010 to provide for the administration of the Livestock Insurance program, is cited as the Crop and Livestock Insurance Act.

Under the Crop and Livestock Insurance Act, the Commission is responsible to administer the program under the direction, supervision, and control of the Minister of Agriculture.

The Commission administers crop insurance coverage to 14 crop insurance plans and a dairy and poultry livestock insurance program.

Since 2008 the Commission has administered the Canada/Nova Scotia Wildlife Compensation Program.

OBJECTIVES AND RESPONSIBILITIES

The fundamental objective of the Crop and Livestock Insurance Commission is to make available to Nova Scotia farmers insurance-based programs that will assist in years of reduced yields, lower revenue, and losses due to insurable perils.

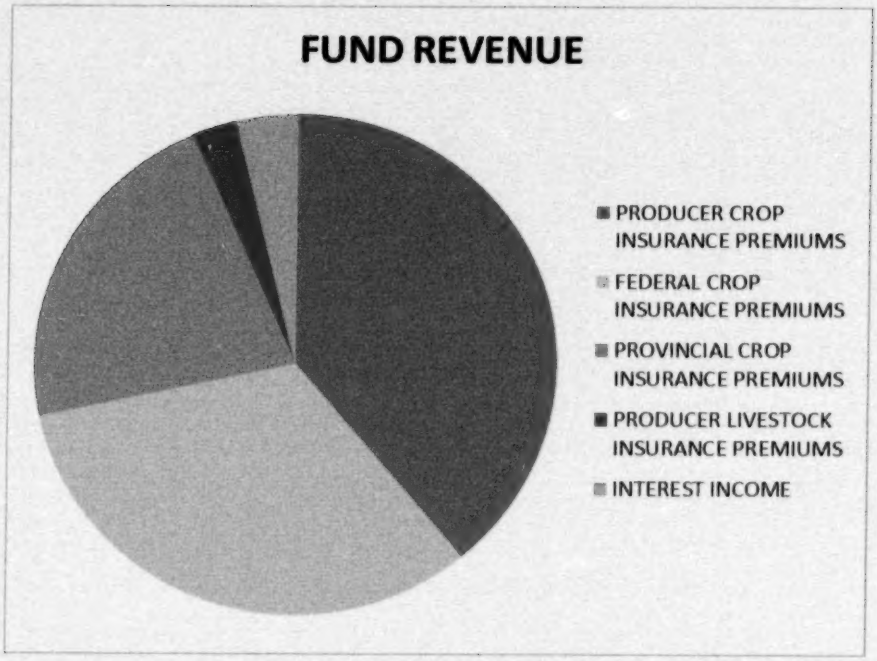
In the interest of efficiency of operations and convenience to farmers, the programs are administered by a common staff, but each program stands on its own. Separate accounting for premium and indemnities is maintained for each program. Administration expenses are proportioned to each program.

FINANCIAL PARTICIPATION

The administration of the Crop and Livestock Insurance program is the responsibility of the Commission. It is subject to the provisions under Growing Forward 2, a Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy. Crop and Livestock Insurance in Nova Scotia is delivered under the authority of the Crop and Livestock Insurance Act.

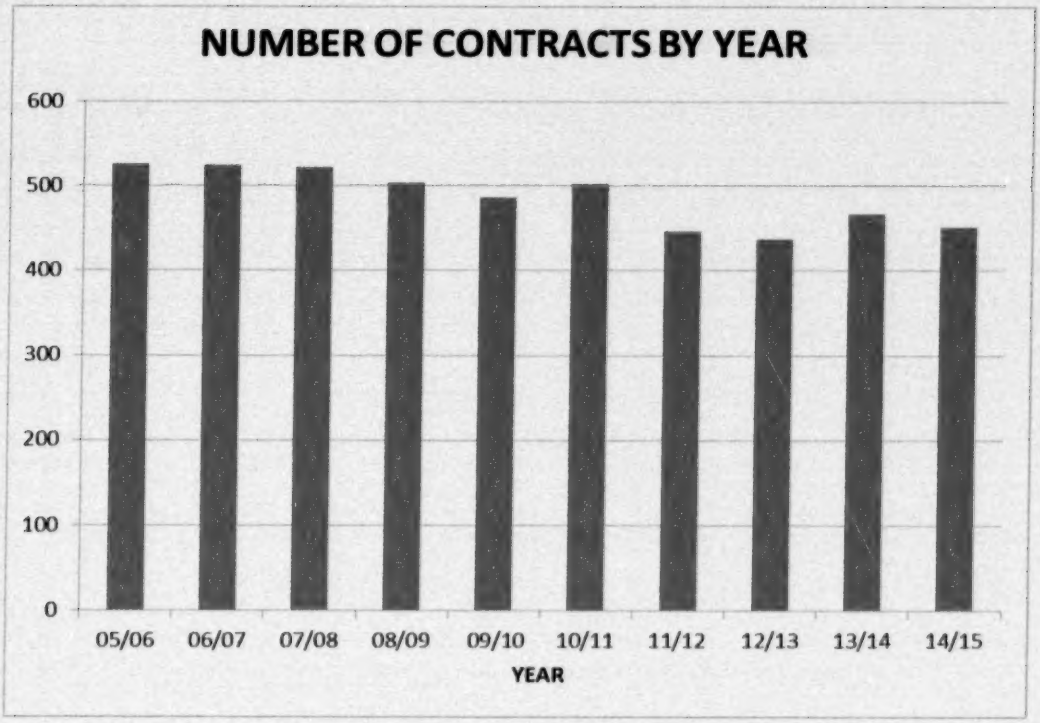
The governments of Nova Scotia and Canada each contribute a percentage of administration expenses for crop insurance and wildlife compensation. Administration expenses for other programs administered by the Commission are the responsibility of the Province.

For 2014-15, the government of Nova Scotia contributed approximately 40 per cent of the total administration costs and 24 per cent of the crop insurance premium. The Government of Canada contributed 60 per cent of the total administration costs and 36 per cent of the premium for crop insurance programs.



INSURANCE PLANS IN FORCE

Spring Grain	– oats, barley, wheat, and mixed grain
Winter Grain	– rye, wheat, triticale
Tree Fruit	– apples, pears, peaches
Tree Insurance	– apples, pears
Corn-	– silage, grain, high moisture
Blueberries	– lowbush and highbush blueberries
Strawberries	– June Bearing, Day Neutral
Raspberries	–
Forage	– establishment year
Soybeans	– soybeans, canola, sunflowers
Potatoes	– processing, seed, table
Vegetables	– broccoli, brussels sprouts, cauliflower, cabbage, fresh carrots, lettuce, onions, parsnips, processing carrots, rutabagas and winter squash
Weather Derivative	–
Maple	–
Dairy	– dairy cows, heifers and calves; loss of income benefit
Poultry	– broilers, pullets, layers, breeders



FEATURES OF THE CROP INSURANCE PLANS

Designated Perils

The crop insurance plans protect against loss caused by drought, frost, hail, wind, excessive moisture, insect infestation, plant disease, wildlife, winter injury, unavoidable pollination failure, and off-crop due to adverse weather conditions.

Type of Insurance

For yield based plans, each insured crop is guaranteed a specific yield based upon the past yield records of each insured. When no past records are available, a bench mark, either provincial or industry averages, is used.

For non-yield based plans (weather) the guarantee is based on other specific measureables, such as total precipitation (or lack of) for a specified area which is known to result in a loss of crop production or quality.

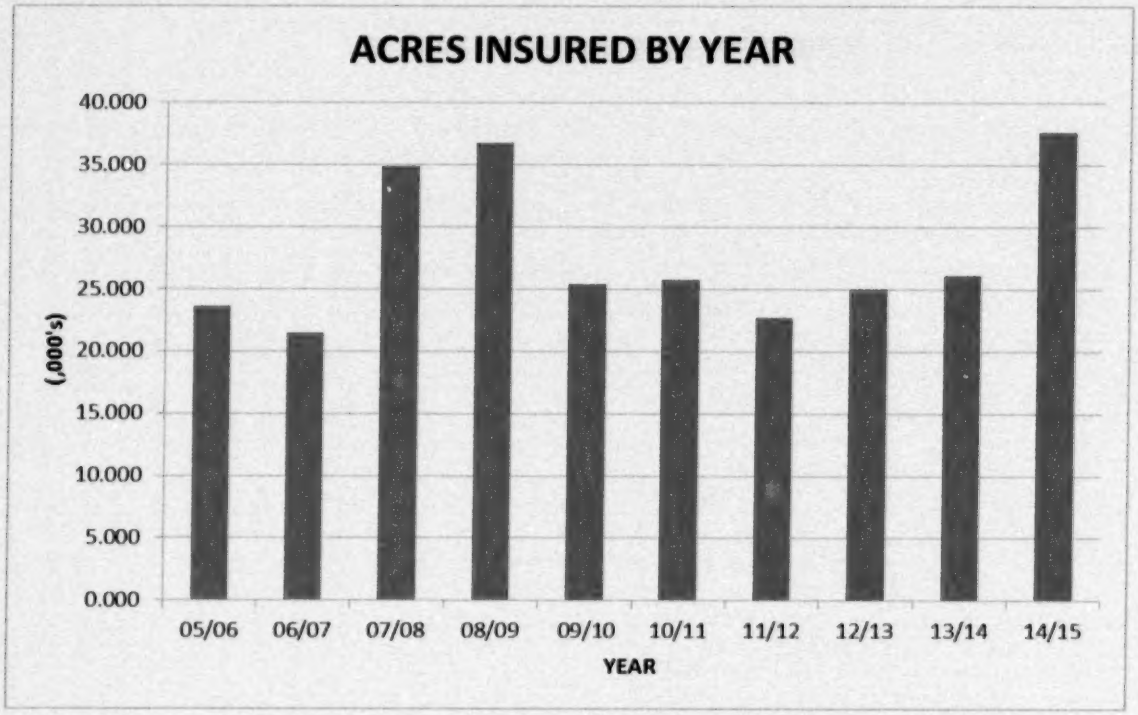
Quality Guarantee

Quality losses are taken into consideration with certain plans such as tree fruit, corn, and spring and winter grain as well as weather.

Premium Discount/Surcharge

The base premium rate for all insurance plans, with the exception of forage, tree endorsement, and poultry, is adjusted by giving a discount when indemnities paid are less than premium paid or by adding a surcharge when indemnities paid exceed premium. The maximum discount shall be 50% and the maximum surcharge shall be 100%.

Other Programs:
The Nova Scotia Crop and Livestock Insurance Commission administers a compensation program to Nova Scotia farmers for losses to specified crops or livestock as a direct result of the activities of wildlife. There is no requirement for producers to be enrolled in Crop Insurance to obtain a compensation payment. The Province of Nova Scotia and the Government of Canada contribute 40% and 60% respectively for the cost for administration and compensation payments.



STATISTICAL SUMMARIES
ANNUAL SUMMARY OF INSURANCE PLANS 2014-15

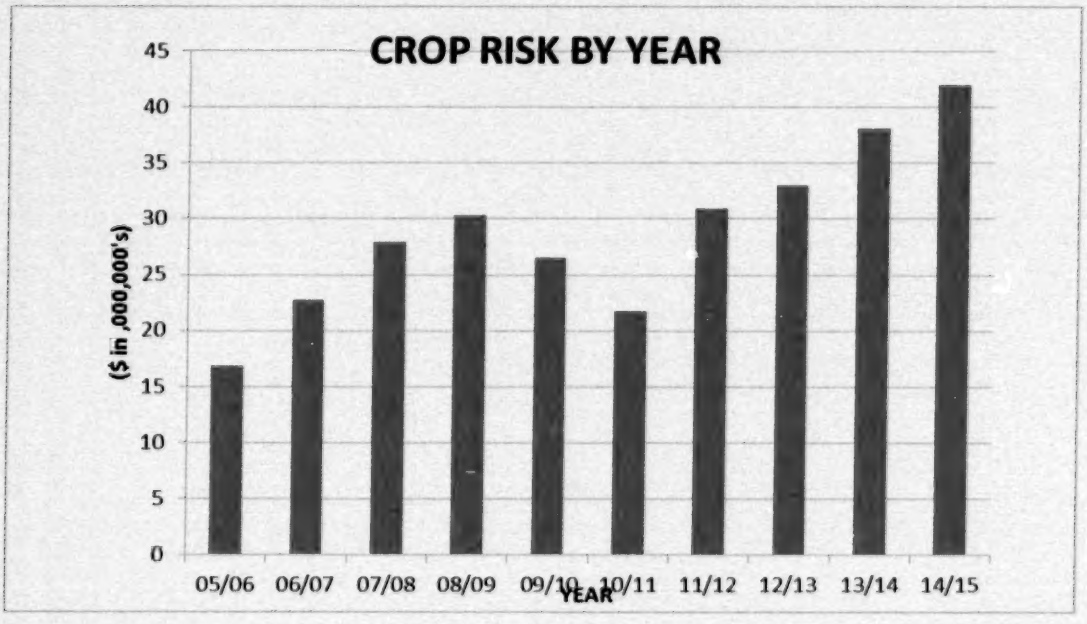
PLAN	NO. GROWERS	NO. ACRES	TOTAL COVERAGE	TOTAL PREMIUM	TOTAL INDEMNITIES
Spring Grain	31	1,376.43	$175,621.88	$24,504.40	$13,612.15
Tree Fruit	81	2,365.46	$22,910,161.25	$671,294.37	$835,644.73
Forage Est.	1	20.63	$4,126.00	$257.88	0
Corn	66	9,547.88	$3,331,489.32	$138,277.29	$9,401.48
Blueberries	170	6,822.88	$9,957,701.65	$706,721.33	$571,460.40
Strawberries	3	20.10	$83,030.00	$13,088.92	0
Raspberries	0	0	0	0	0
Winter Grain*	15	663.48	$214,090.84	$21,554.67	$14,535.42
Potatoes	0	0	0	0	0
Soybeans	44	5,579.89	$1,630,496.40	$83,904.17	$31,015.79
Vegetables	5	143.81	$373,702.03	$53,517.34	$5,918.50
Weather Derivative	14	11,082.08	$3,112,439.04	$171,647.30	$89,728.67
Maple	6	** 100,825.00	$204,216.00	$18,368.84	$69,858.00
Crop Summary	**436**	**37,622.64**	**$41,997,074.41**	**$1,903,136.51**	**$1,641,175.14**
	Herds	**Animals/Birds**			
Loss Income			$11,467,316.56	0	0
Livestock	94	15,860	$23,603,200.00	$32,719.59	$15,400.00
Poultry	302	49,220,352	$91,129,626.00	$26,250.27	0
Totals		**49,236,212**	**$168,197,216.97**	**$1,962,106.37**	**$1,656,575.14**

*Winter Grain claims reflect crop year 2014.

** Number of Taps (not included in Total Number of Acres)

SUMMARY OF CROP INSURANCE PLANS
(1969–70 to 2014-15 CROP YEARS INCLUSIVE)

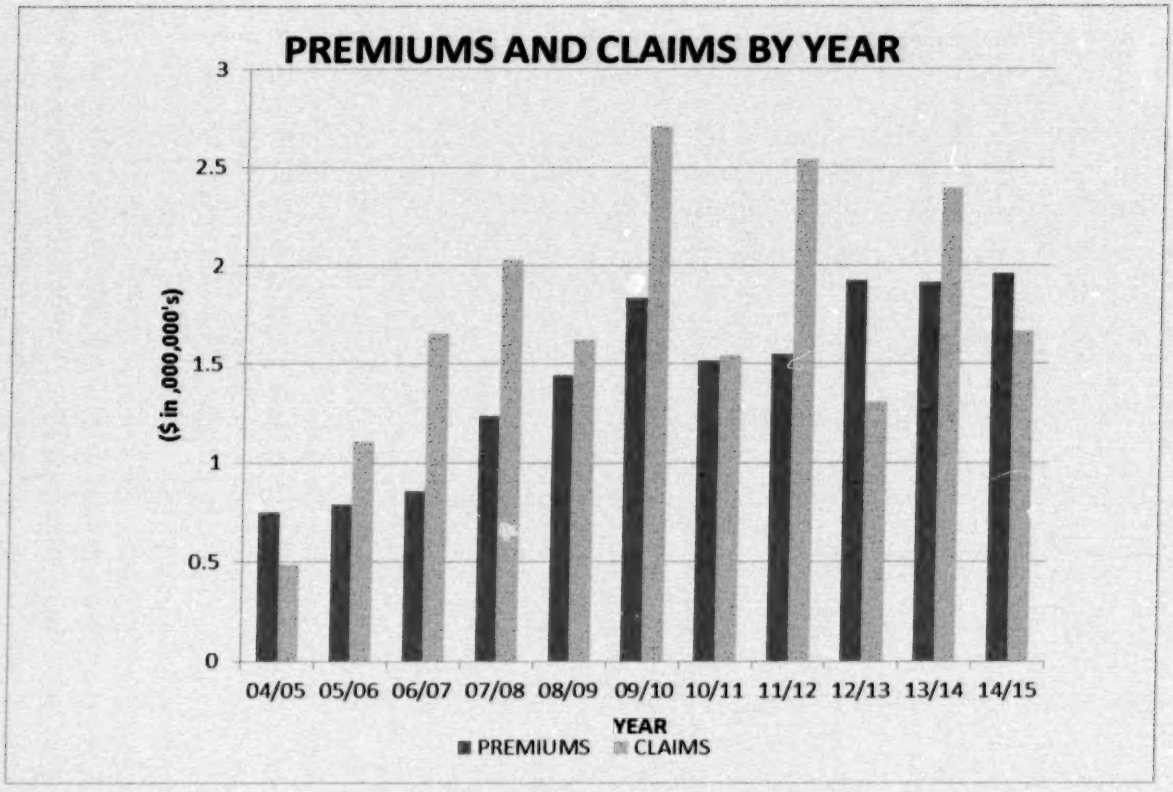
PLAN	NO. YEARS	NO. CLAIMS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
Spring Grain	46	1824	$ 1,795,432.66	$ 2,069,582.06	1.15
Winter Grain	45	382	86,8495.43	926,765.27	1.07
Tree Fruit	45	682	8,239,804.59	8,398,167.23	1.02
Tree Insurance	30	25	406,107.19	108,477.12	0.27
Tobacco	26	21	767,809.39	561,296.33	0.73
Corn	44	645	2,860,936.46	2,109,276.96	0.74
Peas & Beans	33	629	3140338.94	3,315,484.65	1.06
Blueberries	42	1353	7,608754.72	9,214,200.93	1.21
Strawberries	41	134	441,007.68	624,884.32	1.42
Forage Est.	37	154	106,552.14	89,305.62	0.84
Soybeans	29	100	536,943.81	286,366.72	0.53
Potatoes	28	40	1,326,305.73	2,257,560.44	1.70
Raspberries	7	4	1,429.44	3,216.60	2.25
Forage Prod.	4	1	16,983.20	4,551.38	0.27
Vegetables	15	62	1,606,667.49	2,600,925.24	1.62
Weather Derivative	8	78	963,998.47	1,013,318.60	1.05
Maple	5	3	116,068.79	69,858.00	0.60
TOTAL		**6137**	**$30,803,636.13**	**$33,653,237.47**	**1.09**

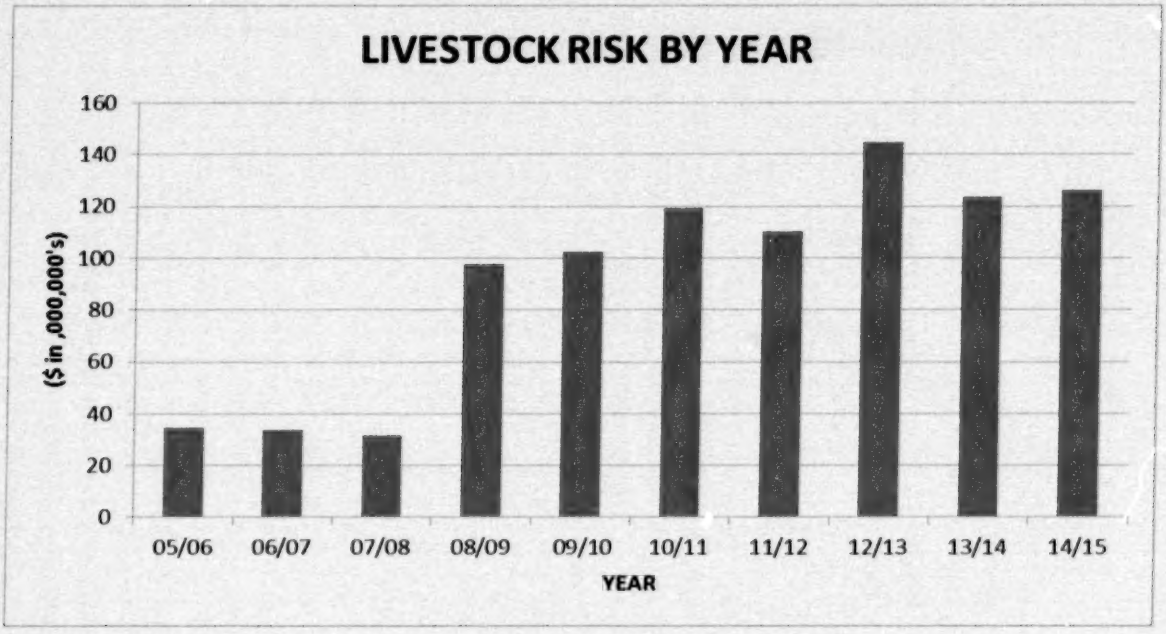


OPERATIONS SUMMARY OF CROP INSURANCE YEARS
(1969-70 to 2014-15 Crop Years Inclusive)

CROP YEARS	NO. CONTRACTS	TOTAL COVERAGE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
2014-2015	452	41979917.41	1901707.33	1649505.05	0.87
2013-2014	463	38,020,989.00	1,848,256.31	2,361,656.41	1.28
2012-2013	438	33,018,952.19	1,858,435.46	1,283,964.39	0.69
2011-2012	446	30,958,118.69	1,541,396.80	2,410,913.00	1.56
2010-2011	501	21,661,518.92	1,453,641.52	1,517,820.84	1.04
2009-2010	574	33,352,632.88	1,793,088.60	2,654,096.74	1.48
2008-2009	504	30,332,865.07	1,445,680.16	1,620,386.29	1.12
2007-2008	522	27,188,516.06	1,233,419.20	2,030,822.80	1.65
2006-2007	525	22,466,132.67	860,560.79	1,656,030.07	1.92
2005-2006	526	16,845,536.59	790,475.19	1,107,701.83	1.40
2004-2005	496	16,161,000.34	749,438.21	486,826.86	0.65
2003-2004	532	16,193,016.04	833,525.55	827,284.94	0.99
2002-2003	532	16,347,492.87	818,650.80	364,453.37	0.45
2001-2002	532	14,805,607.02	660,808.39	914,843.99	1.38
2000-2001	552	14,310,381.33	674,353.56	284,246.26	0.42
1999-2000	540	12,136,267.30	639,559.88	797,459.04	1.25
1998-1999	563	13,893,446.80	646,821.92	933,129.48	1.45
1997-1998	600	11,842,296.94	587,480.80	772,721.07	1.32
1996-1997	553	11,181,624.19	572,589.79	466,881.74	0.82
1995-1996	580	11,321,945.62	546,030.04	326,525.71	0.60
1994-1995	568	11,164,842.39	577,366.31	535,838.81	0.93
1993-1994	577	11,409,076.02	623,830.52	927,816.14	1.49
1992-1993	624	10,904,552.94	657,657.87	200,655.25	0.31
1991-1992	544	12,184,356.19	634,945.12	1,411,800.88	2.22
1990-1991	568	10,304,249.40	574,316.40	357,824.57	0.62
1989-1990	604	10,790,684.96	545,818.31	879,678.97	1.61
1988-1989	532	10,327,601.34	536,984.92	100,853.06	0.19
1987-1988	597	10,361,043.62	537,153.84	158,436.63	0.29
1986-1987	730	10,403,518.12	498,145.77	1,391,264.35	2.79
1985-1986	730	10,270,802.44	453,493.02	503,450.98	1.11
1984-1985	740	8,842,444.23	447,720.90	132,831.31	0.30
1983-1984	775	7,103,107.33	444,870.21	442,181.20	0.99
1982-1983	760	6,618,768.79	449,727.96	123,888.71	0.28
1981-1982	752	5,854,042.18	401,609.14	219,338.95	0.55
1980-1981	666	4,228,150.76	295,329.10	196,488.55	0.67
1979-1980	695	3,994,307.91	296,406.94	300,974.95	1.02
1978-1979	781	3,730,752.45	284,334.24	131,548.18	0.46
1977-1978	770	3,381,581.47	251,407.28	253,696.31	1.01
1976-1977	602	2,751,869.76	220,219.10	90,559.13	0.41
1975-1976	568	2,274,900.30	198,451.73	169,900.31	0.86
1974-1975	565	2,030,120.33	164,694.03	232,358.15	1.41
1973-1974	492	1,762,978.44	96,519.82	252,505.26	2.62
1972-1973	386	1,553,341.41	77,955.05	78,023.10	1.00
1971-1972	364	777,955.53	32,884.51	50,406.29	1.53
1970-1971	345	823,244.95	31,954.54	35,304.14	1.10
1969-1970	277	310,831.53	15,157.96	8,043.41	0.53
TOTAL		**597871826.56**	**30803894.01**	**33653237.47**	**1.09**

Since the program's implementation in 1969, for every dollar collected in premium **$1.09** has been paid out in claims.


PREMIUMS AND CLAIMS BY YEAR
($ in ,000,000's)
3
2.5
2
1.5
1
0.5
0
04/05 05/06 06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14 14/15
YEAR
PREMIUMS
CLAIMS


LIVESTOCK RISK BY YEAR
($ in ,000,000's)
160
140
120
100
80
60
40
20
0
05/06 06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14 14/15
YEAR

SUMMARY OF DAIRY LIVESTOCK INSURANCE PLAN
(APRIL 1, 1978 - MARCH 31, 2015)

YEARS	NO. INSURED HERDS	INSURED ANIMALS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
2014-2015	102	15,860	32,719.59	15,400.00	0.47
2013-2014	105	16,131	33,134.19	33,000.00	1.00
2012-2013	115	21,570	40,732.89	24,600.00	0.60
2011-2012	105	16,579	27,710.12	139,426.40	5.03
2010-2011	115	17,782	33,048.94	28,400.00	0.86
2009-2010	116	17,701	32,090.80	55,600.00	1.73
2008-2009	122	17,934	31,403.59	32,600.00	1.04
2007-2008	128	18,163	30,051.17	174,473.03	5.81
2006-2007	131	17,790	28,564.70	17,000.00	0.60
2005-2006	140	18,670	30,530.51	10,800.00	0.35
2004-2005	148	19,807	33,767.77	4,000.00	0.12
2003-2004	165	20,749	34,980.83	47,640.00	1.36
2002-2003	179	21,769	32,864.20	30,144.00	0.92
2001-2002	184	21,640	20,858.02	14,210.00	0.68
2000-2001	182	20,252	19,538.76	197,632.22	10.11
1999-2000	203	21,531	17,108.54	17,400.00	1.02
1998-1999	212	22,087	17,475.34	55,104.68	3.15
1997-1998	232	22,857	17,797.26	44,679.34	2.51
1996-1997	240	22,801	25,891.18	47,960.58	1.85
1995-1996	252	22,866	26,219.52	7,270.22	0.28
1994-1995	263	23,053	26,720.66	6,400.00	0.24
1993-1994	231	20,572	24,979.34	16,400.00	0.66
1992-1993	242	21,224	26,093.76	3,752.66	0.14
1991-1992	259	22,739	28,987.80	17,157.20	0.59
1990-1991	282	23,771	30,883.99	7,600.00	0.25
1989-1990	217	26,221	35,295.12	10,130.00	0.29
1988-1989	313	25,913	35,507.84	7,639.50	0.22
1987-1988	306	25,500	39,104.26	3,200.00	0.08
1986-1987	300	24,705	38,929.11	17,593.05	0.45
1985-1986	265	22,662	39,200.03	36,775.90	0.94
1984-1985	219	18,263	42,042.80	14,459.00	0.34
1983-1984	209	18,037	43,820.40	3,400.00	0.08
1982-1983	205	17,253	42,423.00	21,133.16	0.50
1981-1982	249	20,480	53,326.15	16,120.35	0.30
1980-1981	284	22,817	77,919.61	53,089.50	0.68
1979-1980	403	29,491	86,731.88	60,501.10	0.70
1978-1979	352	26,121	59,198.14	31,744.50	0.54
TOTAL			**$1,297,651.81**	**$ 1,324,436.39**	**1.02**

Since the program's implementation in 1978, for every dollar collected in premium $1.02 has been paid out in claims.

DAIRY LIVESTOCK INSURANCE CLAIMS SUMMARY
(APRIL 1, 2014 - MARCH 31, 2015)

Insurable Perils	No. Animals	Total Claims Paid
1. Shipping Fever	9	$15,400.00
2. Reportable Diseases	0	0
3. Infectious Bovine Rhinotracheitis	0	0
4. Other	0	0
5. Loss of Income	0	0

CLAIM SUMMARY RE: DAIRY LIVESTOCK INSURANCE PLAN
(APRIL 1, 1978 - MARCH 31, 2015)

Insurable Perils	No. Animals	Total Claims Paid
1. Acute Mastitis*	108	$ 104,291.40
2. Shipping Fever	584	$ 680,265.54
3. Infectious Bovine Rhinotracheitis	58	$ 49,137.18
4. Brucellosis	2	$ 810.70
5. Loss of Income	0	$ 473,731.57
6. Other	14	$ 16,200.00
TOTAL	**766**	**$1,324.436.39**

*This peril no longer covered

SUMMARY OF POULTRY LIVESTOCK INSURANCE PLAN
(OCTOBER 1, 2007 - MARCH 31, 2015)

Years	No. Insured Flocks	No. Insured Birds	Total Premium	Claims Paid	Loss Ratio
2014-2015	302	49,220,352	$26,250.27	$0.00	0.00
2013-2014	169	40,774,938	$23,123.38	$0.00	0.00
2012-2013	121	48,124,847	$25,177.01	$0.00	0.00
2011-2012	110	36.990,059	$21,682.81	$0.00	0.00
2010-2011	129	46,596,231	$21,976.35	$0.00	0.00
2009-2010	106	36,456,512	$27,244.76	$0.00	0.00
2008-2009	89	40,689,660	$11,999.38	$0.00	0.00
2007-2008	170	6,090,671	$ 1,739.15	$0.00	0.00
Total			**$159,193.11**	**$0.00**	**0.00**

SUMMARY OF POULTRY LIVESTOCK INSURANCE PLAN
(2007-2008 to 2014-2015 POULTRY YEARS INCLUSIVE)

Plan	No. Years	No. Claims	Total Premium	Claims Paid	Loss Ratio
Broiler (CHK)	8	0	$ 66,223.25	0	0
Commercial Pullet (PUL)	8	0	$ 8,811.09	0	0
Broiler Breeder (BRB)	8	0	$15,764.92	0	0
Breeder Pullet (BRP)	8	0	$ 2,769.77	0	0
Commercial Layer (CLR)	8	0	$1,796.47	0	0
Integrated Layer (ILR)	8	0	$ 3,827.61	0	0
Total		**0**	**$159,193.11**	**$0.00**	**0.00**

SUMMARY OF WILDLIFE COMPENSATION
(MAY 8, 2008 - MARCH 31, 2015)

Year	No. Years	No. Commodities	No. Claims	Claims Paid
2014-2015	7	22	91	$169,484.65
2013-2014	6	20	96	$ 77,381.48
2012-2013	5	20	107	$ 81,765.00
2011-2012	4	20	162	$ 182,913.81
2010-2011	3	18	157	$ 201,201.13
2009-2010	2	18	129	$ 146,554.05
2008-2009	1	18	60	$ 109,868.03
Total			**711**	**$969,168.15**

SUMMARY OF WILDLIFE COMPENSATION
(2008-2015 WILDLIFE YEARS INCLUSIVE)

PLAN	No. Years	No. Claims	Claims Paid
Bees	7	66	$43,488.00
Beehive	7	85	$35,274.44
Hive Contents	7	9	$1,304.00
Beef Cow	7	6	$3,200.00
Beef Calf	7	55	$9,760.00
Beef Bull	7	0	$0.00
Beef Steer	7	2	$1,120.00
Lowbush Blueberries	7	68	$144,411.51
Strawberries	7	16	$128,455.19
Ewe	7	153	$38,636.00
Lamb	7	182	$37,163.00
Ram	7	16	$3,820.00
Tree Endorsement	7	9	$17,090.40
Apples	7	36	$290,501.64
Vegetable	7	12	$89,359.78
Corn Silage	7	44	$51,457.25
Grain Corn	7	23	$31,677.68
Soybean	7	13	$21,547.24
Grapes	4	2	$18,720.78
Kid	4	1	$60.00
Doe	4	2	$480.00
Pears	1	1	$674.20
Winter Feed Wheat	1	1	$967.04
TOTAL		**802**	**$969,168.15**

2014-15 Summary

The Commission wrote $168.2 million in coverage in 2014-15. This represented a 4% increase in coverage over the previous year. Insurance coverage was broken down as 25% for crops, 21% for dairy and 54% for poultry. The total premium collected was $1.967 million, which represented a 3% increase over the previous year. This increase was mainly a result of increases in tree fruit and soybean crop insurance premiums.

The 2014 cropping season had a slow start in the spring. Conditions in some areas of the province improved in July and August however central and eastern areas were notably dryer than normal. A major early post tropical storm (PTS Arthur) hit the province July 5, 2014 causing major impacts to apples, highbush blueberries, as well as grapes and raspberries. The Annapolis Valley was particularly hard hit with major damage to fruit trees due to this storm. The fall harvest began normal but was negatively impacted by cold wet weather. This significantly delayed harvest of corn and soybeans. The provinces lowbush blueberry crop did see record yields in 2014. The winter began with little snow and open ground, however a series of snowstorms in February/March led to excessive buildup of snow and ice. This led to numerous building collapses and delayed winter/spring pruning of fruit trees. The provinces maple industry was seriously affected by this excessive snow with many maple stands inaccessible. For those who were able to tap yields were significantly lower.

Cropping conditions and weather in 2014 resulted in the payment of 75 indemnity claims to insured clients which totaled $1.649 million. These payments represented a significant amount of support to producers and helped to manage some of the natural risks they faced on their farms in 2014. The largest indemnity payments were made to tree fruit ($835,644.), highbush blueberry ($498,069.), weather derivative forage ($89,728.), maple (2013 crop year)($69,858.), soybean ($31,015.) and winter grain ($22,865.).

Dairy livestock indemnity payments in 2014 totaled $15,400, a 50% reduction from the previous year. There were no indemnity payments made in the Poultry ILT Plan. In its 7th year of operation, the Canada/Nova Scotia Wildlife Compensation Program made payments for 91 claims, totalling $169,484.65. This was more than double the payments made in the previous year.

The Commission continued its developmental work aimed at expanding the insurance options available to Nova Scotia producers to assist them with managing risk on their farms. These included:

- The Commission continued to consult with industry stakeholders reviewing its policies and regulations. The Potato Plan regulations were updated. No new work was conducted on the Strawberry Insurance Plan or changes to the current Dairy Plan.

- The Commission worked with industry on the development of a new plan for grapes. This included actuarial work focused on premium rating and

probable yield methodologies required for federal cost sharing. Based on industry input no further work was done on plans for either Christmas trees or strawberry nursery plants.

- Internally the Commission continued to update and modernize the form and content of the existing Dairy Livestock Insurance Plan.

- Considerable development work on an Acreage Loss Plan focused on the vegetable sector was completed, including actuarial work on premium rating and probable yield methodology.

- The Commission participated in industry group meetings related to the operation of the Wildlife Compensation Program. This included several formal meetings and presentations at industry led workshops.

Administratively the Commission continued to focus on the following priorities.

- The Commission continued to focus internal resources toward improvements to its information technology infrastructure. This included moving more operations over to a database model, development and testing of a tree fruit underwriting module, discount surcharge module and client master module. Additional work was completed on information tracking and statistical reporting.

- The Commission continued to promote AgriInsurance to agricultural producers through various media, at Trade Shows and through several production information sessions in conjunction with the Programs and Business Risk Management Division.

TABLE 1. ESTIMATE – ACTUAL 2014-15

	Estimate 14-15 (000)s	Actual 14-15 (000)s
Revenues		
Insurance Premiums Paid by Clients	868	853
Insurance Premiums Contributed by Gov't (Federal)	736	669
Wildlife Compensation Payments (Federal)	150	102
Insurance Premiums Contributed by Gov't (Provincial)	491	446
Wildlife Compensation Payments (Provincial)	100	68
Interest Income	75	78
Recoveries	0	3
Total Revenues	**2420**	**2219**
Expenses		
Indemnity Claims	2000	1658
Wildlife Compensation Payments	200	170
Reinsurance Premiums	0	0
Bad Debt Expense	5	10
Recoveries	0	3
Total Expenses	**2205**	**1841**
Net Income From Insurance Activities	**215**	**378**
Net Income From All Activities	**215**	**378**
Crop and Livestock Insurance Fund Balance		
Beginning of Year	3088	3864
End of Year	3303	4241
Administrative Expenses		
Government Contributions (Canada)	629	576
Government Contributions (Nova Scotia)	456	404
Total Administrative Expenses	**1085**	**980**
Net Govt Expenditure		
Canada (Premium + Administration)	1515	1347
Nova Scotia (Premium + Administration)	1047	918
Total Program Expenditure	**2562**	**2265**

PERFORMANCE MEASURES

The core business of the Crop and Livestock Insurance Commission is the delivery of insurance products to the agriculture sector. As one of the pillars of Canada's financial system, insurance plays a key role in stabilizing business incomes by providing opportunities to manage or transfer risk. Crop production is particularly risk laden in that natural perils presented by climate and geography cannot easily be controlled or managed. The intended outcome of the Commission's program is to stabilize farm incomes, and by doing so, support the economic growth of the province.

Outcome: Increased Income Stability of Farm Businesses						
	Measure	**Base/Target (2008-09)**	**Target 2014-15**	**Ultimate Target 2017-18***	**Trends**	**Actual As of March 31/15**
1.	Number of Farms Using Production Insurance	700	750	900	2009-10: 712 2010-11: 745 2011-12: 659 2012-13: 674 2013-14: 741	832
2.	Value of Insurance Coverage Written: The total dollar value of risk the Commission has accepted from its clients.	*(Millions)* 127.8	*(Millions)* 140	*(Millions)* 150	2009-10: 712 2010-11: 745 2011-12: 659 2012-13: 674 2013-14: 161.5	*(Millions)* 168.1
3.	Number of Insurance Products Available	36	50	55	2009-10: 35 2010-11: 37 2011-12: 41 2012-13: 47 2013-14: 47	47
4.	Value of Compensation Paid for Wildlife Damage	$110,000	$200,000	$250,000	2009-10: $146,554 2010-11: $201,201 2011-12: $182,913 2012-13: $ 81,765 2013-14: $76,981.	$169,485
5.	Ratio of insured production to total value of all products eligible for insurance in NS (excludes livestock)	25.25%	30%	50%	2009-10: 28.32% 2010-11: 30.41% 2011-12: 23.44% 2012-13: 23.11% 2013-14: 15.22%	N/A
6.	Ratio of agricultural products eligible for insurance to value of all agricultural products in NS (excludes livestock)	57.78%	60%	75%	2009-10: 52.21% 2010-11: 44.31% 2011-12: 60.64% 2012-13: 57.17% 2013-14 80.75%	N/A

**2013-14 marked the first year of Growing Forward 2, a Federal Provincial Territorial Framework agreement on Agriculture, Agri-Food and Agri-Based products policy which expires in 2017-18..*

Comments:

1. This measure increased by 12% over the previous year and surpassed the performance measure target.

2. This measure surpassed the 2014-15 target by 20% and continued to surpass the ultimate target. Positive increases in coverage for tree fruit, poultry, weather derivative, soybean, blueberries and winter grain drove increases in this measure.

3. The total number of crops covered under AgriInsurance plans has not changed over the last several years. Additional crops are expected to be added next year with the planned introduction of new plans.

4. Most recent statistics show an increase in the measure indicating additional pressure on crops and livestock from wildlife. Wildlife compensation payments more than doubled over the previous year primarily due to losses in crops such as strawberries, tree fruit, corn and soybeans.

5. This measure is an indicator of the uptake by producers of programs offered by AgriInsurance.

6. This measure is an indication of the portion of the Agriculture industry in Nova Scotia which is being offered AgriInsurance.

Nova Scotia Crop & Livestock Insurance Commission

Financial Statements
For the Year Ended March 31, 2015

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Auditor General of Nova Scotia

INDEPENDENT AUDITOR'S REPORT

To the Members of the Nova Scotia Crop & Livestock Insurance Commission:

Report on the Financial Statements

I have audited the accompanying financial statements of the Nova Scotia Crop & Livestock Insurance Commission, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in fund balances, changes in net financial assets, and cash flows for the year ended March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for the public sector and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in our audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nova Scotia Crop & Livestock Insurance Commission as at March 31, 2015, and the results of operations, changes in net financial assets, and its cash flows for the year ended March 31, 2015, in accordance with Canadian generally accepted accounting principles for the public sector.

Michael A. Pickup, CA
Auditor General of Nova Scotia

Halifax, Nova Scotia
June 25, 2015

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Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Statement of Financial Position
March 31, 2015

	2015	2014
Financial Assets		
Cash	$ 508,125	$ 378,019
Investments (Note 3)	3,749,755	3,492,609
Receivables, trade (net of allowance of $112,657; 2014-$103,120)	52,167	166,474
Accrued interest receivable	5,999	5,546
	4,316,046	4,042,648
Liabilities		
Deferred revenue	45,603	39,674
Deposits for insurance	2,538	5,756
Indemnities payable	26,759	133,364
	74,900	178,794
Net Financial Assets	4,241,146	3,863,854
Non-financial Assets		
Tangible capital assets (Note 4)	-	-
Fund Balances	$ 4,241,146	$ 3,863,854

On Behalf of the Commission

Director

Director

See accompanying notes to the financial statements

Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Statement of Operations and Changes in Fund Balances
For the Year Ended March 31, 2015

	Budget	Funds Crop	Funds Livestock	Funds General	Total 2015	Total 2014
Revenue						
Insurance premiums (Schedule A)	$ 2,345,000	$ 1,909,673	$ 57,632	$ 169,485	$ 2,136,790	$ 1,986,502
Interest income	75,000	65,186	12,674	-	77,860	82,417
Strawberry assistance initiative - recovery (Note 18)		3,423	-	-	3,423	9,466
	2,420,000	1,978,282	70,306	169,485	2,218,073	2,078,385
Expenses						
Indemnity claims (Schedule A)	2,200,000	1,642,936	15,400	169,485	1,827,821	2,478,607
Bad debt expense	5,000	9,537	-	-	9,537	99,673
Administrative expenses (Note 8) (Schedule B)	1,085,300	942,077	19,591	17,938	979,606	967,581
Amortization of capital assets	-	-	-	-	-	353
Strawberry assistance initiative - expense (Note 18)	-	3,423	-	-	3,423	9,466
	3,290,300	2,597,973	34,991	187,423	2,820,387	3,555,680
(Deficiency) before government contributions	(870,300)	(619,691)	35,315	(17,938)	(602,314)	(1,477,295)
Government contributions (Note 6)	1,085,300	942,077	19,591	17,938	979,606	967,581
Net surplus (deficiency)	$ 215,000	322,386	54,906	-	377,292	(509,714)
Fund balances, beginning of year		2,803,590	1,060,264	-	3,863,854	4,373,568
Fund balances, end of year (Note 5)		$ 3,125,976	$ 1,115,170	$ -	$ 4,241,146	$ 3,863,854

See accompanying notes to the financial statements

Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Statement of Changes in Net Financial Assets
For the Year Ended March 31, 2015

	2015	2014
Net Financial Assets, beginning of year	$ 3,863,854	$ 4,373,215
Changes in the year		
Net surplus (deficiency)	377,292	(509,714)
Amortization of tangible capital assets	-	353
Total changes in the year	377,292	(509,361)
Net Financial Assets, end of year	$ 4,241,146	$ 3,863,854

See accompanying notes to the financial statements

Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Statement of Cash Flows
For the Year Ended March 31, 2015

	2015	2014
Operating Activities		
Net surplus (deficiency)	$ 377,292	$ (509,714)
Amortization of tangible capital assets	-	353
Net change in non-cash working capital balances related to operations (Note 9)	9,960	167,400
Cash provided by (used in) operating activities	387,252	(341,961)
Investing Activities		
Acquisition of investments	(2,930,901)	(2,428,114)
Proceeds from disposal of investments	2,673,755	3,031,481
Cash provided by (used in) investing activities	(257,146)	603,367
Increase in cash during year	130,106	261,406
Cash, beginning of year	378,019	116,613
Cash, end of year	$ 508,125	$ 378,019

See accompanying notes to the financial statements

1. Authority

The Nova Scotia Crop and Livestock Insurance Commission was established pursuant to Section 3(1) of the Nova Scotia Crop and Livestock Insurance Act (Act). Section 8(1) of the Act establishes Funds which are in the custody and control of the Commission to be used to administer crop and livestock insurance plans, as well as wildlife compensation, and conduct programs relating to these plans.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector, that for the purposes of the Commission's financial statements are represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

These financial statements are prepared using the following significant accounting policies:

Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over the assets estimated useful life, which for office furniture and equipment is five years and for computer hardware and software is two years. The Commission expenses tangible capital assets under $1,500.

Revenue

Revenue is recorded on the accrual basis. The main components of revenue are insurance premiums, interest income, and government grants for insurance premiums and administrative expenses. Insurance premium revenue is recognized when certificates for insurance are issued. Premium revenue relating to coverage subsequent to year end is deferred. Government grants for insurance premiums and administrative expenses are recognized as revenue in the period during which the grants are authorized and eligibility criteria are met, except when and to the extent the transfer includes stipulations that give rise to an obligation that meets the definition of a liability. The Commission receives contributions from the Province of Nova Scotia for the purchase of assets, which is recognized in revenue upon acquisition.

Indemnity claims

Expenses for indemnity claims are recorded when the loss of yield is incurred by the producer.

Financial Instruments

The Commission's financial instruments consist of investments in promissory notes, accounts receivable, and deposits for insurance. The Commission measures its financial instruments at cost or amortized cost.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported

2. Significant accounting policies (continued)

amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Investments

The Commission invests with the Province excess funds to be used to pay future indemnity claims. At March 31, 2015 these funds were invested in various promissory notes maturing in fiscal year 2015, with annual yields ranging from 1.16% to 2.80%.

4. Tangible capital assets

	2015	2014
Cost of Equipment		
Opening cost	$ 38,548	$ 38,548
Additions	-	-
Disposals	(19,640)	-
Closing cost	18,908	38,548
Accumulated amortization		
Opening balance	38,548	38,195
Disposals	(19,640)	-
Amortization expense	-	353
Closing balance	18,908	38,548
Net book value	$ -	$ -

5. Fund balances

The Livestock Fund balance consists of dairy livestock insurance of $959,296 (2014 - $929,694) and poultry insurance of $155,874 (2014 - $130,570). A claim for indemnity under either the Dairy Livestock Insurance Plan or the Poultry Insurance Plan is limited to the extent of the assets in the Livestock Insurance Fund balance held by the Commission.

The General Fund includes wildlife compensation.

6. Government contributions

Insurance premiums

Under the crop insurance programs, producers pay 40% of the insurance premiums and the Federal and Provincial governments pay 36% and 24% respectively for the comprehensive portion of the insurance premiums. If an insurance premium contains a high-cost portion, the Federal and Provincial governments pay a reduced proportion of the high-cost portion of the insurance premium. The proportion of the insurance premium that is high-cost varies by plan and coverage level depending on the base rate for that particular plan. Neither the Federal nor Provincial governments cost share in the insurance premiums of the livestock and poultry insurance programs or in non-refundable deposits.

Administrative expenses

For the 2015 fiscal year, the Federal government contributed 60% (2014 - 60%) of the total administrative expenses for the crop insurance program, with the Provincial government funding the remainder. The Provincial government funds all of the administrative costs of the livestock and poultry insurance programs.

Wildlife program

The compensation payments and administrative expenses of the wildlife compensation program are funded 60% by the Federal government and 40% by the Provincial government. The program is included in the general fund of the Commission.

7. Indemnity claims

Winter Grain

Winter Grain is planted in the fall, but not harvested until the following fall. Crop yields can fluctuate dramatically depending on factors such as weather conditions during the growing and harvesting seasons. As a result, the occurrence and amount of losses relating to the crop planted in the current year, if any, have not been incurred until well after the fiscal year end. Indemnity expenses for Winter Grain and related payables will be recorded in the year that the loss of yield, if any, is incurred.

Maple Syrup

In certain cases, indemnity expenses for Maple Syrup production losses related to premiums collected in the current fiscal year will not be incurred until after year end. Maple Syrup yields will fluctuate based on weather conditions. Indemnity expenses and related payables for Maple Syrup will be recorded in the year that the loss of yield, if any, is incurred.

Tree Endorsement

2014 Tree Endorsement indemnity claims relating to damage from a named peril (Fire Blight) in the regulations will not be recorded until next fiscal year. This damage caused by 2014 post tropical storm Arthur will not be fully identified and managed until well after fiscal year end. Accurate estimates are not available at the time of this year's preparation of the financial statements.

8. Administrative expenses

The Commission offers three types of insurance plans: crop, dairy livestock and poultry, and a wildlife compensation program. The administrative expenses associated with offering these programs are detailed in Schedule B. The administrative expenses are allocated to the livestock and poultry plan at 2% of the total administrative expenses incurred by the Commission. The administrative expenses of the wildlife compensation program are allocated based upon direct travel and staffing costs associated with investigating and adjusting wildlife claims, as well as an additional 25% of these costs for other fixed administrative costs of this plan. The remaining administrative costs, after deducting those attributable to the livestock and poultry plans, and wildlife compensation program, are allocated to the crop insurance plan.

9. Net change in non-cash working capital balances related to operations

	2015	2014
Increase (decrease) in cash from changes in:		
Receivables	$ 114,307	$ 35,261
Accrued interest receivable	(453)	(323)
Deferred revenue	5,929	1,458
Deposits for insurance	(3,218)	(2,360)
Indemnities payable	(106,605)	133,364
	$ 9,960	$ 167,400

10. Financial instruments

The Commission is exposed to credit risk on the accounts receivable from its clients. In order to reduce its credit risk, the Commission has adopted credit policies which include the analysis of the financial position of its clients and the regular review of their credit limits. The Commission does not have a significant exposure to any individual client. It is management's opinion that the Commission is not exposed to any significant market or liquidity risks.

The Commission's investments are in short-to-medium term promissory notes issued by the Province of Nova Scotia. It is management's opinion that the Commission is not exposed to any significant credit, market or liquidity risks with respect to these investments.

11. Related party transactions

Administrative expenses include $30,000 (2014 - $30,000) for rent and $44,240 (2014 - $44,240) for miscellaneous professional services that were charged to the Commission by the Nova Scotia Department of Agriculture.

12. Economic dependence

The Commission is economically dependent upon the ongoing and future funding of the Nova Scotia and Federal governments.

13. Insurance coverage

The total insurance coverage issued during the 2014-15 fiscal year was $168,256,638 (2014 - $161,511,450), comprised of crop insurance of $42,056,496 (2014 - $38,083,154), livestock insurance of $35,070,516 (2014 - $35,233,334) and poultry insurance of $91,129,626 (2014 - $88,194,962).

14. Statement of remeasurement gains and losses

The Commission has no remeasurement gains or losses; therefore, no statement of remeasurement gains or losses has been provided.

15. Pension and post-retirement benefits

All full time employees of the Commission are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Commission's operating expenses. The Public Service Superannuation Fund is administered by the Nova Scotia Pension Services Corporation. The Commission is not responsible for any unfunded liability or other obligations related to post-retirement benefits. The pension expense incurred in the current year was $49,769 (2014 - $42,015).

16. Contingent liabilities

There is currently ongoing arbitration (since 2013-14) regarding the denial of an indemnity claim, for which the outcome is undeterminable. Consequently, no provision for any possible loss has been recorded in these financial statements.

17. Public Sector Compensation Disclosure Act

Under the Public Sector Compensation Disclosure Act, all organizations which are part of the Government Reporting Entity must disclose all compensation paid to any person that is greater than $100,000. There are no amounts to disclose under this Act.

18. 2014 Canada-Nova Scotia Strawberry Assistance Initiative

In 2014-15 the Commission supported the administration of the Canada-Nova Scotia Strawberry Assistance Initiative, by providing staff resources to measure and verify crop acreage for this program. All the administrative costs of the Commission related to this program were recovered from the Department of Agriculture's Programs and Business Risk Management Division.

19. Comparative figures

Certain of the prior year's figures (Schedule B) have been reclassified to conform to the presentation format adopted in the current year. The new presentation (relating to reclassification of expense categories) conforms to new reporting requirements required under the Federal/Provincial Growing Forward 2 agreement.

Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Premium Revenue and Indemnity Claims
For the Year Ended March 31, 2015

SCHEDULE A

	Premium Revenue					Indemnity Claims	
	Producer	Federal	Provincial	2015	2014	2015	2014
Crop Insurance							
Spring grain	$ 11,831	$ 7,607	$ 5,072	$24,510	$ 26,125	$ 13,612	$ 17,844
Winter grain	12,793	9,143	6,095	28,031	19,046	22,865	5,759
Tree fruit	256,340	248,973	165,981	671,294	427,661	835,645	951,731
Corn (1)	55,325	49,780	33,186	138,291	209,597	9,401	402,235
Weather derivative	68,659	61,793	41,195	171,647	140,398	89,729	215,523
Blueberries	316,163	234,338	156,226	706,727	767,469	571,460	581,422
Strawberries and raspberries	6,622	3,880	2,587	13,089	14,124	-	6,950
Maple syrup	7,666	6,422	4,281	18,369	19,324	69,858	-
Forage	118	105	71	294	454	-	-
Soybeans	33,562	30,205	20,137	83,904	56,513	31,016	77,197
Potatoes	-	-	-	-	51,362	-	-
Vegetables	25,954	16,538	11,025	53,517	119,740	5,919	109,565
Adjustment for corn indemnity accrual in 2014 - 15 (1)	-	-	-	-	-	(6,569)	-
	795,033	668,784	445,856	1,909,673	1,851,813	1,642,936	2,368,226
Livestock Insurance							
Livestock	33,031	-	-	33,031	34,511	15,400	33,000
Poultry	24,601	-	-	24,601	22,797	-	-
	57,632	-	-	57,632	57,308	15,400	33,000
Wildlife Compensation	-	101,691	67,794	169,485	77,381	169,485	77,381
Total	$ 852,665	$ 770,475	$ 513,650	$2,136,790	$ 1,986,502	$ 1,827,821	$ 2,478,607

(1) Corn indemnities for 2014 include $82,059 representing management's best estimate of a claim not settled by March 31, 2014. This claim was settled in fiscal 2014/15 in the amount of $75,490 resulting in an adjustment to corn indemnities of $(6,569).

Province of Nova Scotia
Nova Scotia Crop & Livestock Insurance Commission
Expenses
For the Year Ended March 31, 2015

SCHEDULE B

	Insurance			Totals	
	Crop	Livestock	Wildlife/General	2015	2014
Operations – Insurance Processing	$ 91,403	$ 1,935	$ 3,407	$ 96,745	$ 90,679
Operations - Adjusting	175,958	3,668	3,793	183,419	167,304
Audit (Field)	152,556	3,175	3,039	158,770	144,737
Policy Administration	101,390	2,099	1,483	104,972	92,884
Finance	117,640	2,437	1,749	121,826	68,425
Research, Development/Underwriting	116,151	2,405	1,699	120,255	250,734
Program Sales and Promotion	6,108	127	93	6,328	5,887
Human Resources	51,717	1,071	761	53,549	36,510
Systems Maintenance and Support	95,031	1,968	1,392	98,391	79,652
Accommodations	29,302	607	448	30,357	30,709
Capital	4,821	99	74	4,994	60
Total Administrative Expenses (Note 8)	942,077	19,591	17,938	979,606	967,581
Gain/loss on disposal of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
	-	-	-	-	-
Indemnity claims – Schedule A	1,642,936	15,400	169,485	1,827,821	2,478,607
Bad debts	9,537	-	-	9,537	99,673
Amortization	-				353
Strawberry assistance initiative	3,423	-	-	3,423	9,466
	1,655,896	15,400	169,485	1,840,781	2,588,099
TOTAL EXPENSES	$ 2,597,973	$ 34,991	$ 187,423	$ 2,820,387	$ 3,555,680

Changes in the presentation of comparative financial statements. (See note 19)